

Message Text

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ACTION AF-10

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E.O. 11652: N/A

TAGS: EINV, SG

SUBJECT: MOTOROLA VISIT TO DAKAR

1. SUMMARY: MOTOROLA EXECUTIVES VISITED DAKAR APRIL 17-21 TO INVESTIGATE FEASIBILITY OF SETTING UP \$5 MILLION SEMI-CONDUCTOR PLANT IN LOCAL INDUSTRIAL FREE ZONE. ALTHOUGH MOTOROLA GENERALLY POSITIVE ABOUT DAKAR AS SITE, MAJOR QUESTIONS REMAIN ABOUT ADEQUACY OF LOCAL LABOR FORCE. TENTATIVELY MOROTOLA CONSIDERING SETTING UP PILOT OPERATION ON TEMPORARY BASIS BEFORE GOING AHEAD WITH ENTIRE INVESTMENT. END SUMMARY.

2. MOTOROLA EXECUTIVES DONAL JOHNSON (MANAGER OF SEMI-CONDUCTOR ENGINEERING GROUP) AND LARRY FAIR (MANAGER FOR NEW PLANT SITE SELECTION) VISITED DAKAR APRIL 17-21. PURPOSE OF TRIP WAS TO EXPLORE FEASIBILITY OF LOCATING \$5 MILLION SEMI-CONDUCTOR PLANT IN DAKAR INDUSTRIAL FREE ZONE. PLANT WOULD ULTIMATELY EMPLOY 1200 PERSONS IN MANUFACTURE OF PRODUCTS TO BE EXPORTED TO EUROPE. JOHNSON AND FAIR SPENT MOST OF WEEK WITH FREE ZONE OFFICIALS,
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AND IN MEETINGS WITH LOCAL CONTRACTORS, ARCHITECTS, AND ATTORNEYS.

3. SINGLE MOST IMPORTANT FACTOR IN SITE SELECTION IS AVAILABILITY OF LARGE SUPPLY OF FEMALE LABOR. SEMI-CONDUCTOR ASSEMBLY IS PERFORMED UNDER MISCROSCOPE AND REQUIRES CONSIDERABLE DEXTERITY. MOTOROLA'S EXPERIENCE

IS THAT WOMEN PROVE MOST EFFECTIVE IN SUCH WORKING SITUATIONS. (ADDITIONAL CONSIDERATION, JOHNSON CONFIDED, IS MOTOROLA'S BELIEF THAT WOMEN WORKERS ARE LESS LIKELY TO BECOME INVOLVED IN ORGANIZED LABOR MOVEMENTS. ALL OF MOTOROLA'S OVERSEAS PLANTS ARE NON-UNIONIZED.) MOREOVER, FACTORY OF THIS TYPE PROVES PROFITABLY ONLY WHEN OPERATING ON ROUND THE CLOCK BASIS. THIS BRINGS UP QUESTION OF WOMEN WORKING NIGHT SHIFTS, SITUATION HERETOFORE UNTESTED IN SENEGAL. AFTER SOLICITING OPINIONS ON THESE SUBJECTS FROM SEVERAL LOCAL SOURCES, MOTOROLA CONCLUDED THAT BEST WAY TO JUDGE LABOR SITUATION WOULD BE TO SET UP SMALL PILOT FACTORY ON TEMPORARY BASIS. JOHNSON DISCUSSED WITH ZONE OFFICIALS POSSIBILITY OF RENTING SMALL STRUCTURE FOR THIS PURPOSE.

4. ANOTHER PRIMARY CONSIDERATION IN SITE LOCATION IS ACCESS TO COMMON MARKET. COMPONENTS FOR SEMI-CONDUCTOR WILL BE MANUFACTURED IN EUROPE, SHIPPED ELSEWHERE FOR ASSEMBLY, AND FINISHED PRODUCT EXPORTED BACK TO EUROPE. MOTOROLA IS CONCERNED ABOUT DUTY FREE ENTRY TO EEC UNDER LOME CONVENTION IN SUCH SITUATION, AND DISCUSSIONS WITH LOCAL EEC REP PROVIDED NO CONCRETE ANSWERS. MOTOROLA PLANS TO PURSUE MATTER BY HAVING ITS LAWYERS IN TOULOUSE CONTACT EEC/BRUSSELS.

5. COMMENT: JOHNSON AND FAIR PROCEEDED FROM DAKAR TO LIMITED OFFICIAL USE

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CENTRAL AMERICA WHERE THEY INVESTIGATING ANOTHER POTENTIAL SITE FOR SEMI-CONDUCTOR PLANT. THEY TOLD ECONOFF THAT MOROCCO IS NO LONGER LEADING CHOICE FOR FACTORY SITE, BECAUSE OF "UNPREDICTABLE TAX SITUATION." AS FOR DAKAR, MOTOROLA LIKES FINANCIAL INCENTIVES OF INDUSTRIAL ZONE AND GOS ATTITUDE TOWARD FOREIGN INVESTMENT, BUT REMAINS WARY OF SETTING UP OPERATION OF THIS SIZE (FACTORY WOULD BE SECOND LARGEST PRIVATE EMPLOYER IN COUNTRY) WITHOUT REASONABLE CERTAINTY THAT LOCAL LABOR CAN HANDLE JOB. COHEN

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